

STATE OF INDIANA

STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM (CFDA: 14-228)

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS FY 2020 PROGRAM DESIGN AND METHOD OF DISTRIBUTION

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs (OCRA), assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). Per 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process according to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2017. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2020 is \$31,772,377.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through OCRA.

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

Indiana's program will emphasize making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low- and moderate-income persons.

OCRA will pursue this goal of investing CDBG wisely and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personnel) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

OCRA reserves the right to transfer up to twenty-five percent (25%) of each fiscal year's available allocation of CDBG funds between the programs described herein to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Annual Action Plan.

OCRA will provide citizens and general units of local government with reasonable notice and opportunity to comment on any substantial change to be made in the use of CDBG funds for any open grant year. "Substantial Change" shall mean the movement between programs of more than twenty-five percent (25%) of the total allocation for each fiscal year's CDBG allocation. The twenty-five percent (25%) does not include the reallocation of reverted funds. OCRA, in consultation with the Indianapolis office of the HUD, will determine those actions, which may constitute a "substantial change."

OCRA will submit any Consolidated Plan, Annual Action Plan, or other related documents to HUD before it implements any changes embodied in the given document and before posting the final version publicly.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as amended, (Federal Act), are eligible for funding under the OCRA's CDBG program. However, the OCRA reserves the right to prioritize funding of those eligible activities; the OCRA prefers to expend federal CDBG funds on activities/projects which will produce tangible results for low- and moderate-income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of each fiscal year's CDBG funds will be expended for activities principally benefiting low- and moderate-income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities, and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other areas eligible for "entitlement" funding from HUD.
2. All Indian tribes meeting the criteria outlined in Section 102 (a)(17) of the Federal Act.

To be eligible for CDBG funding, applicants may not be suspended from participation in any CDBG funded programs or by OCRA due to findings/irregularities with previous CDBG grants, overdue reports, overdue responses to monitoring issues, or overdue closeout documents on current grants, or other reasons that call into an applicant's ability to be able to comply with all elements of the State's CDBG program. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCD).

All applicants must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) before, or as a part of the proposed CDBG-assisted grant, to be eligible for further CDBG funding from the State.

Other specific eligibility criteria is outlined in the **General Selection Criteria** provided herein.

FY 2020 FUND DISTRIBUTION

Sources of Funds:

FY 2020 CDBG Allocation	\$31,772,377
CDBG Program Income	\$0
Total:	\$31,772,377

Uses of Funds:

1. Owner Occupied Rehabilitation (OOR) Program (IHCD)		\$	0
2. Stellar Regions Program	\$ 9,000,000		
3. Blight Clearance Program	\$ 750,000		
4. Main Street Revitalization Program	\$ 1,200,000		
5. Public Facilities Program	\$ 2,000,000		
6. Wastewater Drinking Water	\$10,500,000		
7. Stormwater Improvements Program	\$ 3,000,000		
8. COVID-19 Response Program	\$ 0		
9. Needs Responsive Fund	\$ 0		
10. Urgent Need Fund	\$ 0		
11. Planning Fund	\$ 1,310,000		
12. Technical Assistance	\$ 200,000		
13. Administration	\$ 635,140		
Total:	\$31,772,377		

The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of any CDBG program income for the period covered by this Annual Action Plan. In the event the OCRA receives CDBG Program Income, such funds will be placed in the Blight Clearance Program (BCP) to make additional grants under that program. Reversions of other years' funding will be allocated based on current needs as determined by OCRA. OCRA will allocate and expend all CDBG Program Income funds received before drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCD), a separate agency, using CDBG funds allocated to the IHCD by the OCRA.
2. Program income generated by CDBG grants awarded by the OCRA using CDBG funds must be returned to the OCRA if such amounts are equal to or greater than \$35,000 per calendar year according to 24 CFR 570.489.

All obligations of CDBG program income by grantee require prior approval by the OCRA. This includes the use of program income as matching funds for CDBG-funded grants from the IHCD. Applicable parties should contact the CDBG Program Director for guidance on the use of program income before the obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to OCRA. Local governments that have been approved to use their program income to fund at least one project in the previous twelve (12) months will be considered active.

Furthermore, US Department of Treasury regulations require that CDBG program income cash on hand balances be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds can be requested from the OCRA. These US Treasury regulations apply to projects funded both by IHCD and OCRA. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the OCRA or IHCD.

METHOD OF DISTRIBUTION

The choice of activities on which the State's CDBG funds are expended has been determined through a robust review that engaged a variety of stakeholders and considered comments from the public. The eligible activities enumerated in the following Method of Distribution are eligible activities as provided for under Section 105(a) of the Federal Act, as amended.

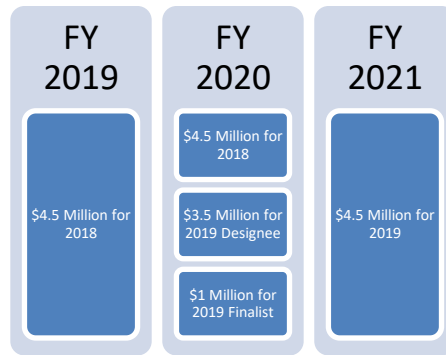
All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Owner Occupied Rehabilitation (OOR) Program: \$0

For FY2020 OCRA and our partner the Indiana Housing & Community Development Authority (IHCD) are suspending the Owner-Occupied Rehabilitation (OOR) Program and allocating the fund to the COVID-19 Response program. OCRA and IHCD will analyze the impact of the Housing Program over the program year and make adjustments in future program years to ensure these funds are used in a manner that maximizes impact.

B. Stellar Regions Program: \$ 9,000,000

OCRA will allocate \$9,000,000 of its FY 2020 CDBG funds for the Stellar Region Designee. Funds will be allocated to the designee in the Action Plan for the fiscal year an application is anticipated from each active designee. Finalist Regions of the program will split \$1,000,000 of this allocation to complete one of the projects outlined in their Regional Development Plan. Below is a breakdown of the Stellar allocation for FY 2019, 2020, and projected allocation for FY 2021. Note that OCRA suspended the 2020 Stellar program due to the COVID-19 pandemic.



Indiana's Stellar Regions Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), Department of Natural Resources (DNR), Indiana Office of Tourism Development (IOTD), Indiana Arts Commission (IAC), Department of Workforce Development (DWD), Indiana Bond Bank (IBB), Indiana State Department of Health (ISDH), and the Indiana Department of Transportation (INDOT). The Stellar Regions Program seeks to engage one (1) region to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy, communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. From this revitalization strategy, regions will produce a three-year regional development plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final regions to the Stellar Regions Program will be based on:

- Summary of the Regional Development Plan
- Identify at least one project to be completed in each of the three (3) program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts, and sources, and funding resources.
- Completion of outlined requirements of the Stellar Designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to administer the funds;
- The long-term viability of the strategic community investment plan;

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

All projects funded by IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Blight Clearance Program: \$750,000

OCRA will allocate \$750,000 of its FY 2020 CDBG funds for the Blight Clearance Program (BCP). OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a monthly basis. The BCP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

Applicants can be awarded for multiple applications until the total of those applications reaches the \$500,000 maximum grant amount. At that time, the applicant becomes ineligible for BCP for a five (5) year period. OCRA will no assign penalty points to BCP applications.

D. Main Street Revitalization Program: \$1,200,000

OCRA will allocate \$1,200,000 of its FY 2020 CDBG funds for the Main Street Revitalization Program (MSRP).

OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape and façade activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

- 1) Have a designated Indiana Main Street Organization that:
 - a. is nationally accredited, or
 - b. is a traditional Indiana Main Street that is at least three (3) years old;
- 2) The Main Street Organization is in good standing and has met all the reporting requirements;
- 3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past calendar year;
- 4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Vitality, and Promotion;
- 5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
- 6) The Community has completed a downtown revitalization plan within the past five (5) years that meets OCRA's Minimum Plan Requirements. If a community has an alternative plan that meets OCRA's Minimum Plan Requirements for a downtown revitalization plan, they can use that alternative plan with approval from the CDBG Program Director.
- 7) The Indiana Main Street Organization has been involved in the project development process for the application and there is a plan for their continued involvement if awarded.

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The MSRP shall have a maximum grant amount of \$600,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 20% for streetscape project and 30% for façade projects of the total project cost are required for all this program.

To encourage communities and Main Street organizations to achieve National Main Street Accreditation, OCRA will set aside \$600,000 of this allocation for projects that come from communities that have nationally-accredited Main Street Organizations.

Grantees must ensure that local Indiana Main Street Organization remains in good standing with OCRA

until the completion of the project. If the local Indiana Main Street Organization falls out of good standing then deobligation or repayments of CDBG funds is possible.

E. Public Facilities Program: \$2,000,000

OCRA will allocate \$2,000,000 of its FY 2020 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The PFP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

F. Wastewater Drinking Water: \$ 10,500,000

OCRA will allocate \$10,500,000 of its FY 2020 CDBG funds for the Wastewater Drinking Water (WDW).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. WDW shall have a maximum grant amounts based on present combined user rates (water, wastewater, and stormwater) as shown in the matrix below. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.

Maximum Grant Amounts	Rates for 4,000 gallons		
	User Rates (Over \$70)	User Rates (\$40 to \$70)	User Rates (Under \$40)
Projects over \$1 million in total project cost	\$700,000	\$600,000	\$550,000
Projects under \$1 million in total project cost	\$600,000	\$550,000	\$500,000

G. Stormwater Improvements Program: \$3,000,000

OCRA will allocate \$3,000,000 of its FY 2020 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The SIP shall have a maximum grant amount of \$600,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

H. COVID-19 Response Program: \$ 0

The State of Indiana will to set aside \$0 of its FY 2020 CDBG funds for the COVID-19 Response Program. The program is to address the immediate and long-term impacts on small and rural communities due to the COVID-19 pandemic. In order to respond quickly the program policies and processes have been adjusted by OCRA, but those adjustments only apply to this program. There is no local match requirement for this program. Details of the program criteria are outlined in Attachment F hereto.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and

requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

I. Needs Responsive Fund: \$0

OCRA will allocate \$0 of its FY 2020 CDBG Funds to the Needs Responsive Fund. The purpose of this fund is to allow OCRA flexibility to respond to the needs of eligible communities. Specifically, this program will allow OCRA to fund projects that are eligible activities under CDBG, but are not covered by other programs.

OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D throughout the program year. The Needs Responsive Fund shall have a maximum grant amount of \$1,000,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

J. Urgent Need Fund: \$0

The Urgent Need Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the "urgent need" national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Urgent Need Fund will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through the Public Facilities Program or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Office of Community and Rural Affairs as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need" national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under OCRA's regular programs. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Office of Community and Rural Affairs may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

K. Planning Grants: \$ 1,310,000

OCRA will allocate \$1,310,000 of its FY 2020 CDBG funds for planning-only activities. ORCA will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR

570.205 of applicable HUD regulations. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a monthly basis. The Planning Grant program shall have a maximum grant amount of \$60,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

A list of eligible plans and their specific maximum grant amounts is available on OCRA's CDBG website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.

The specific threshold criteria and basis for scoring for Planning Grant are provided in Attachment C and D hereto. CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

L. Technical Assistance Set-aside: \$200,000

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2019 Action Plan is \$200,000, which constitutes less than one-percent (1%) of the State's FY 2020 CDBG allocation of \$30,500,000. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document.

The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements. The Technical Assistance Program will also be used by the Office to conduct pilots of new programs or adjustments to current programs.

1. Distribution of the Technical Assistance Program Set-aside: Pursuant to HUD regulations and policy memoranda, the Office of Community and Rural Affairs may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

- a. Provide the technical assistance directly with Office of Community and Rural Affairs or other State staff;
- b. Hire a contractor to provide assistance;
- c. Use sub-recipients such as Regional Planning Organizations as providers or securers of the assistance;
- d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.

- e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
- f. Transfer funds to another state agency for the provision of technical assistance; and,
- g. Contracts with state-funded institutions of higher education to provide the assistance.

2. Ineligible Uses of the Technical Assistance Program Set-aside: The 1% set-aside may not be used by the Office of Community and Rural Affairs for the following activities:

- a. Local administrative expenses not related to community development;
- b. Any activity that cannot be documented as meeting a technical assistance need;
- c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Office of Community and Rural Affairs; or,
- d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

K. Administrative Funds Set-aside: \$635,140

The State (Office of Community and Rural Affairs) will set aside up to \$635,140 of its FY 2019 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount (\$635,140) constitutes less than two-percent (2%) of the State's CDBG allocation (\$31,772,377). The amount of \$535,140 is subject to the \$1-for-\$1 matching requirement of HUD regulations. A \$100,000 is not subject to state match per HUD regulations. These funds will be used by the Office of Community and Rural Affairs for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Office of Community and Rural Affairs staff, as well as direct and indirect expenses incurred in the proper administration of the state's program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Office of Community and Rural Affairs in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Annual Action Plan and statement of Method of Distribution is intended to amend all prior Consolidated and Action Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing on July 1, 2020, and ending June 30, 2010, unless subsequently amended, for all FY 2020 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein.

In the case that prior years' funds should become available, they will be placed in any of the currently open programs and become subject to the requirements and allowances set forth in this plan. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in any open program for use in that ongoing program.

APPLICATION PROCESSES

Planning Grant applications are accepted continuously. Eligible units of local governments should first

contact their regional Community Liaison to discuss their interest in a planning grant. Then an initial application can be submitted for scoring. Applications received by Midnight on the 15th of each month will be scored by the end of the month. Applications received after midnight will be scored by the end of the following month. Note planning grant applications are not considered fully submitted until a Public Hearing is completed and all FEEPs materials are submitted. If an application meets the minimum threshold and scoring criteria it will be regarded as fundable but will not be considered awarded until the application is fully submitted.

Blight Clearance Program (BCP) applications will also be accepted continuously with those submitted by Midnight on the 15th of each month being scored by the end of the month. Unlike the Planning Grant applications, BCP applications go through a two-state process that mimics the process used for grant programs done via rounds. Specifics on that process can be found below.

Stellar Regions Program is a single competitive application process over the course of a calendar year. Interested applicants submit a Letter of Intent from which up to six (6) finalists are selected by the partner organizations. Finalists take part in numerous capacity-building, teamwork, and planning activities throughout the year as they build their Regional Development Plan (RDP). Each finalist must an RDP and present before the partner organizations. The partner organizations the Designee based on consensus.

The application process for the Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Main Street Revitalization Program (MSRP), and the Wastewater Drinking Water (WDW) will be a two-stage competitive application process held twice each calendar year with a third-round possible.

For grant programs with a two-stage process, eligible applicants will first submit an abbreviated proposal. After submitting a proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. OCRA, as applicable, will provide technical assistance to the communities in the development of full applications and require an in-person site visit with the community prior to application.

An eligible applicant may submit only one application at a time. OCRA reserves the right to deny applications lacking credible readiness to proceed.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through OCRA's selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG “Program Income” may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Office of Community and Rural Affairs (OCRA). The State (Office of Community and Rural Affairs) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the OCRA’s CDBG Handbook, which is posted on the Office’s website.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor heads OCRA. Principal responsibility for the CDBG program is vested in the Executive Director of OCRA. OCRA also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government through a partnership with the Grant Services Division of the Lieutenant Governor's business office.

Primary responsibility for providing "outreach" and technical assistance for the Stellar Regions Program, Main Street Revitalization Fund, Stormwater Improvement Program, Wastewater Drinking Water, Public Facilities Program, and Planning Grants process resides with the OCRA. Primary responsibility for providing "outreach" and technical assistance for the Housing award process resides with the Indiana Housing & Community Development Authority who will act as the administrative agent on behalf of the OCRA.

The LG's Business Office will provide internal fiscal support services for program activities. The OCRA has the responsibility for the development of the Consolidated Plan and the CAPER, CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to 2 CFR 200 will conduct audits. Potential applicants should contact the OCRA with any questions or inquiries they may have concerning these or any other programs.

Information regarding the past use of CDBG funds is available at the:

**Indiana Office of Community and Rural Affairs
CDBG Program Director
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2288
Telephone: 1-800-824-2476
FAX: (317) 233-6503**

DEFINITIONS

Low- and Moderate-Income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for “low-income families.” Certain persons are considered to be “presumptively” low and moderate-income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the CDBG Program Director.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects based on each program. This percentage is computed by adding the proposed grant amount and the local matching amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by OCRA are not eligible for use as matching funds.

Proposal - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. OCRA encourages communities to submit a proposal that is basically a draft of the application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to OCRA upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for “area basis” slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or “spot basis” blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2). More Specifically, OCRA defines blight as:

An area possessing a substantial amount of buildings (public or privately owned), and or public improvements which demonstrate:

1. General deterioration, seen through:
 - a. Neglect or lack of maintenance on the property; or
 - b. Facilities of plumbing, heating, sewage, and/or others that have been disconnected, destroyed, removed, or rendered inadequate; or
 - c. Impaired structural condition, making the building(s) unsafe to a person or property (IC 36-7-9-4); or
 - d. Any combination of these factors
2. Significant noncompliance with current building code, safety code, health code, fire code, state statute, or local ordinance, as seen by:
 - a. Excessive vacancy and/or abandonment of properties; or
 - b. Environmental hazards; or
 - c. Fire hazards; or
 - d. Lack of ventilation, light, or sanitary facilities; or

- e. any combination of these factors
- 3. Building(s) are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, increased criminal activity compared to other areas, and detrimental to public health, safety, morals, or welfare through any of the following conditions:
 - a. Age; or
 - b. Dilapidation; or
 - c. Overcrowding of structures and/or high density population; or
 - d. Excessive land coverage; or
 - e. Impairment of overall economic vitality of community through declines in property value, substantially lower property value than surrounding community areas; or
 - f. any combination of these factors

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the "urgent need" CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.
2. The State will use this criterion as one of the guidelines for project selection and funding.
3. The State will require all funded communities to certify that the funded project is minimizing displacement.
4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.
5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.
6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income and housing projects through the IHCD in 7 below):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.
2. The applicant must possess the legal capacity to carry out the proposed program.
3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCD monitoring findings (where the community is responsible for resolution.) Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.
4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCD. Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.
5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.
6. The applicant must show that the proposed project is an eligible activity under the Act.
7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCD) for CDBG-funded housing projects.
8. To be eligible to apply at the time of an application submission, an applicant must not have any of the following:
 - a. Overdue grant reports, sub-recipient reports or project closeout documents; or
 - b. More than three (3) CDBG grants that are open or pending award (Indiana cities and incorporated towns), or four (4) CDBG grants that are open or pending award (Indiana counties) from OCRA;
 - c. For those applicants with an open MSRP, WDW, PFP, SIP or BCP a “Notice of Release of Funds and Authorization to Incur Costs” must have been issued for the construction activities under the open MSRP, WDW, PFP, SIP or BCP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity)

must have been executed prior to the deadline established by OCRA for receipt of applications for funding.

- d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Office of Community and Rural Affairs prior to submission of MSRP, SIP, WDW, PFP, or BCP application for the project.

9. To be eligible to apply at the time of application submission, an applicant must not have:

- a. Any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)¹
 - i. A complaint during the investigation stage can be resolved for the purposes of this application if the applying party provides the response it submitted to the Commissions and provides verification that it is cooperating in the investigation.
 - ii. To resolve a complaint for the purposes of this application that has received a finding of Probable or Reasonable Cause, the complaint must be closed in a manner that includes the applying party taking a fair housing training and implementing a relevant policy to prevent future possible discriminatory incidents. The applying party need not take the training or implement the policy prior to the application being submitted if the applying party can provide proof that it intends to complete the training and implement the policy within a reasonable period of time. If a complaint has been closed and the closure did not include training or the implementation of a policy, then the applying party can elect to contact the Commissions to voluntarily complete training and have Commissions assist in the implementation of a relevant policy.
 - iii. To resolve a complaint that merits litigation, the applying party must submit evidence that the complaint cannot be settled (i.e. settlement ask too high etc.) and evidence that training and a policy are not the impediments to settlement. Possible evidence can include offer letters, statements of disputed legal questions, statements of disputed facts, statements on behalf of the Commissions that they are unwilling to settle the case, or any similar document that illustrates the case is not ripe for settlement.
- b. An unresolved pattern of complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)
 - i. A pattern for purposes of this application is defined as any more than an average of two complaints over a period of four years, regardless of outcome.
 - ii. To resolve a pattern of complaints for purposes of this application, the applying party must partner with the Commissions or other equivalent housing organization to fully review the applying party’s current policies for best practices as well as for compliance with the Indiana Fair Housing Act and Indiana Civil Rights Law. Additionally, the applying party must show proof that the applying party intends to undergo annual fair housing training for all of its employees that regularly interact with tenants and biannual training for all supervising employees

¹ If agreeable, it would be the Indiana Civil Rights Commissions obligation to provide timely responses as well as to provide data retrieved from other relevant local human relations commissions.

for at least one year.

10. The cost/beneficiary ratio for all CDBG funds will be maintained at \$5,000. Housing related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.
11. Required leveraging based on program (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.
12. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an “on-behalf-of” application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the “one application per round” requirement for other eligible applicants.
13. The application must be complete and submitted by the announced deadline.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2020 Action Plan

**GRANT EVALUATION CRITERIA
700 POINTS TOTAL**

Applications must achieve a minimum score of 450 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

$$\text{National Objective Score} = \% \text{ Low/Mod Beneficiaries} \times 1$$

2. National Objective = Prevention or Elimination of Slums or Blight: 100 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below)

- Applicant has a Slum/Blight Resolution for project area (50 pts.)
- The project site is a brownfield* (25 pts.)
- The building or district is listed on or is eligible for listing on the Indiana or National Register of Historic Places (10 pts.)
- The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (15 pts.)

* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination. Points are awarded for sites listed on the IFA Brownfield registry which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. OCRA has partnered with Stats Indiana, an Indiana University entity, to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant
Median Home Value
Unemployment Rate
Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

$$\text{Total Match Points} = \% \text{ Eligible Local Match} \times 1$$

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of \$25,000. Use of in-kind donations as eligible match requires approval from the CDBG Program Director approximately 2 weeks prior to application submission (date of deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

A maximum of 300 points awarded according to the evaluation in three areas:

Project Description – Is the project clearly defined as to determine eligibility? – 50 points

Project Need - Is the community need for this project documented and compelling? – 125 points

Financial Impact - Why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA Scoring Committee when evaluating the projects. Scoring questions for these categories are defined for each round and are provided to applicants that submit a proposal at the site visit. The questions are subject to change each round. **Applicants should refer to the application packet, scoring guide and other resources to address all questions present.** Applicants are encouraged work with their OCRA Community Liaison to identify ways to increase their project's competitiveness in these areas and of the application as a whole.

PROGRAM SPECIFIC POINTS (50 POINTS):

Blight Clearance Program (BCP)

- **IFA Registry** - A maximum of 25 points awarded for sites registered with the IFA Brownfield program which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.
- **Site Development Plan** - A maximum of 25 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

Planning Grants (PL)

- **Community Input and Collaboration** – A maximum of 25 points are awarded for communities that document public input and collaboration efforts beyond letters of support and the two required Public Hearings.
- **Connection to Previous Planning Effort** – A maximum of 15 points are awarded for documentation that the plan that is being applied for connects to a previous planning effort done by the community.
- **Implementation of Previous Plan or First-time Plans** – A maximum of 10 points are awarded for communities that document the successful implementation of a previous planning grant plan or for communities that have never receive an planning grant before.

Public Facilities Program (PFP)

- **Philanthropic Contributions** - Points are assigned based on philanthropic contribution as a percentage of total project costs.
 - Less than 1% - 0 points

- 1-1.99% - 10 points
- 2-2.99% - 15 points
- 3-3.99% - 20 points
- 4%+ - 25 points
- **Project Sustainability** - A maximum of 25 points for the establishment of a (or documentation of existing) permanent Community Facility Fund, to be used for ongoing operation and maintenance activities of the project.
 - 0 points – Less than \$3,000
 - 10 points - \$3,000-\$5,000
 - 25 points – More than \$5,000

Main Street Revitalization Program (MSRP)

- Community is designated as a Nationally Accredited Main Street Organization (10 points)
- The district is listed on the Indiana or National Register of Historic Places (5 points)
- Documentation of active and continued involvement in the application and project by the Main Street organization (10 points)
- The Main Street Organization has a long-term Strategic Plan. (Maximum of 5 points)
- The Main Street Organization has a sustainability/fundraising plan in place. (Maximum of 5 points)
- For streetscape projects:
 - The project has unique design elements or is part of a community branding effort. (Maximum of 15 points)
- For façade projects:
 - Up to 15 points can be awarded for projects that have a lower density. Density is calculated as the Linear Feet (LF) of all the facades in the project divided by the total Linear Feet (LF) of building frontage within the project area. Points are awarded as follows:
 - 0 points – Less than 30%
 - 5 points – 30%-40%
 - 10 points – 40%-50%
 - 15 points – More than 50%

Wastewater Drinking Water (WDW) & Stormwater Improvement Program (SIP)

- **Financial Gap** – A maximum of 10 points per each \$1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the “gap,” which is the amount by which grant funds will reduce or “buy down” your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed “without OCRA grant funds”. (Maximum 10 points)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of existing combined utility rate for the ongoing operation and maintenance activities of the wastewater, drinking water, and/or stormwater systems.

0 points –	Less than \$40 combined user rates
10 points –	\$40-\$70 combined user rates
25 points –	More than \$70 combined user rates

BONUS POINTS POLICY:

It is OCRA's policy to reward communities that engage in best practices to proactively address their needed as such OCRA will award bonus points for the following items. To receive bonus points applicant must submit the required documentation approximately 2 weeks prior to application submission for each round (deadline will be announced each round). Bonus point approvals are only good for the active round, so they will not be reviewed prior to the opening of the round they will apply.

Regional Planning – 25 points**POINTS REDUCTION POLICY:**

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 5 years since previous funding – -50 points

Example: Community submits and receives a Wastewater Drinking Water (WDW) grant in 2015. When applying for a WDW grant in 2020, they would be subject to a point reduction of 50 pts. In 2021 they would have no point reduction.

**CITIZEN PARTICIPATION PLAN
INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE)**

The State of Indiana, Office of Community and Rural Affairs, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Office of Community and Rural Affairs' annual Consolidated Plan for CDBG funds submitted to HUD as well as the Office of Community and Rural Affairs' overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Office of Community and Rural Affairs will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.
2. Consult with local elected officials and other stakeholders on the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.
3. Publish a draft Consolidated Plan and afford citizens and units of general local government the opportunity to comment thereon.
4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.
5. Hold one (1) or more public hearings respective to the State's draft Consolidated Plan duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearing(s) held on the Consolidated Plan or Action Plan. In addition, this notice was distributed by email to over 6,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the planning process:

**The Republic, Columbus, IN
The Corydon Democrat and Clarian News, Corydon, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Salem Leader and Salem Democrat, Salem, IN
Scott County Journal, Scottsburg, IN
The News and Tribune, Jeffersonville, IN
The Chronicle-Tribune, Wabash, IN**

**Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN
Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN
The Star Press, Muncie, IN**

6. Provide citizens and units of general local government with reasonable and timely access to records

regarding the past and proposed use of CDBG funds.

7. Make the Consolidated Plan available to the public at the time it is approved by HUD, and;
8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given Consolidated Plan and/or annual Action Plan.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to inquiries or complaints received from such citizens.

COVID-19 RESPONSE PROGRAM

PROGRAM APPLICATION

The grant program will start with eligible applicants submitting a Letter of Need. In the Letter of Need the applicant outlines the impact of their community, identifies the eligible activity they are proposing, and outline how they will accomplish that activity. Once received by OCRA, each applicant will be assigned an OCRA staff member to guide them through the application process. The applicant will work with the assigned individual to complete the application and administer any award grant funds.

An eligible applicant may submit only one Letter of Need at a time. The Office of Community and Rural Affairs reserves the right to deny any request for grant funds if the applicant fails to provide items requested by OCRA, or does not meet the minimum federal requires and program criteria.

COVID-19 RESPONSE PROGRAM SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project for the COVID-19 program.

A. General Criteria for COVID-19 Response Program

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.
2. The applicant must possess the legal capacity to carry out the proposed program.
3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.
4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of “overdue” is solely at the discretion of the Indiana Office of Community and Rural Affairs.
5. The applicant must clearly show the manner in which the proposed activity will meet one of the following CDBG National Objectives and meet the criteria set forth under 24 CFR 570.483:
 - a. Benefit to LOW- and Moderate-Income Persons or Households
 - i. Area Benefit – the proposed activity benefits all residents in a defined area in which at least 51% of the residents are LMI persons.
 - ii. Limited Clientele – the proposed activity benefits a defined group of persons and at least 51% of those person are LMI persons.
 - iii. Job Retention – the proposed activity retains permanent jobs of which at least 51% are held or would be made available to LMI persons.
6. The applicant must show that the proposed activity is one of the following eligible activities or an eligible activity under the Act:

- a. Public Facilities
 - i. Convert a public facility for use as a testing, diagnosis, or treatment facility
 - ii. Rehabilitate a facility to centralize patients undergoing treatment
 - b. Public Services (Supplies, Operating Cost, etc) (Subject to a 15% federal cap)
 - i. Provide testing, diagnosis, or other services at a fixed or mobile location
 - ii. Increase the capacity or availability of COVID-19 health services at an existing health facility
 - iii. Create a local delivery service for providing needed supplies (food, medicines, etc) to quarantined individuals that must maintain social distancing due to medical vulnerabilities or limitations
 - c. Economic Development
 - i. Provide grants to businesses as short-term working capital to retain jobs held by LMI persons and continue operations
 - ii. Provide loans to businesses as short-term working capital to retain jobs held by LMI persons and continue operations (Requires an existing Revolving Loan Fund or similar financial instrument)
7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs;
8. To be eligible to apply at the time of application submission, an applicant must not have:
- a. Any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively "Commissions")²
 - i. A complaint during the investigation stage can be resolved for the purposes of this application if the applying party provides the response it submitted to the Commissions and provides verification that it is cooperating in the investigation.
 - ii. To resolve a complaint for the purposes of this application that has received a finding of Probable or Reasonable Cause, the complaint must be closed in a manner that includes the applying party taking a fair housing training and implementing a relevant policy to prevent future possible discriminatory incidents. The applying party need not take the training or implement the policy prior to the application being submitted if the applying party can provide proof that it intends to complete the training and implement the policy within a reasonable period of time. If a complaint has been closed and the closure did not include training or the implementation of a policy, then the applying party can elect to contact the Commissions to voluntarily complete training and have Commissions assist in the implementation of a relevant policy.
 - iii. To resolve a complaint that merits litigation, the applying party must submit evidence that the complaint cannot be settled (i.e. settlement ask too high etc.) and evidence that training and a policy are not the impediments to settlement. Possible evidence can include offer letters, statements of disputed legal questions, statements of disputed facts, statements on behalf of the Commissions that they are unwilling to settle the case, or any similar document that illustrates the case is not ripe for settlement.
 - b. An unresolved pattern of complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively "Commissions")

² If agreeable, it would be the Indiana Civil Rights Commissions obligation to provide timely responses as well as to provide data retrieved from other relevant local human relations commissions.

- i. A pattern for purposes of this application is defined as any more than an average of two complaints over a period of four years, regardless of outcome.
 - ii. To resolve a pattern of complaints for purposes of this application, the applying party must partner with the Commissions or other equivalent housing organization to fully review the applying party's current policies for best practices as well as for compliance with the Indiana Fair Housing Act and Indiana Civil Rights Law. Additionally, the applying party must show proof that the applying party intends to undergo annual fair housing training for all of its employees that regularly interact with tenants and biannual training for all supervising employees for at least one year.
- 12. The applicant may only submit one application at a time. Counties may submit either for their own project or an "on-behalf-of" application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the "one application per round" requirement for other eligible applicants.